

Message Text

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ACTION OES-02

INFO OCT-01 SS-14 ISO-00 PM-03 INR-05 NSC-05 NSCE-00 L-01

EUR-08 CIAE-00 RSC-01 IO-03 /043 W
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P R 301518Z OCT 74

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 5212

INFO AMEMBASSY ROME PRIORITY

AEC GERMANTOWN

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 1 OF 2 IAEA VIENNA 9203

LIMDIS

E.O. 11652: GDS

TAGS: IAEA TECH UR GW

SUBJECT: USSR ENRICHED URANIUM EXPORTS TO FRG

REF: IAEA VIENNA 8908

1. AT MEETING IN ROMETSCH'S OFFICE OCT 23 ATTENDED BY SOVIET MISOFF (ANTIASOV) AND MYSELF, ROMETSCH OPENED DISCUSSION BY REMINDING PARTICIPANTS OF SENSITIVE NATURE OF THIS SUBJECT AND INVITING COMMENTS ON PAPER HE HAD PREPARED, OUTLINING PROBLEM CAUSED BY SOVIET SHIPMENT OF SPECIAL NUCLEAR MATERIAL TO FRG WITHOUT APPLICATION OF IAEA SAFEGUARDS, AND SUGGESTING THREE POSSIBLE SOLUTIONS. TWO OF THEM HE IMMEDIATELY DISCARDED AS UNWORKABLE: (A) CONCLUSION OF "AD HOC" AGREEMENT FOR IAEA SAFEGUARDS ON SNM IMPORTED INTO FRG IN ACCORDANCE WITH PROCEDURES ENVISAGED IN IAEA/EURATOM AGREEMENT, (B) AGREEMENT WITH ITALY WHEREBY LATTER WOULD RESORT TO "EMERGENCY" PROCEDURES TO RATIFY NPT, MEANING SOME SORT OF SPEED-UP WHICH HE SAID CAN EXCEPTIONALLY BE APPLIED IN ITALIAN CONSTITUTIONAL PROCESS. THIRD APPROACH, CONFIDENTIAL

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DISCUSSED IN DETAIL SEPTTEL, WOULD INVOLVE NEGOTIATION

OF SPECIAL "LEGAL INSTRUMENT" WHICH WOULD HAVE EFFECT OF BRINGING IAEA/EURATOM AGREEMENT INTO FORCE WITHOUT PRIOR RATIFICATION OF NPT BY ALL EC NON-NUCLEAR WEAPON MEMBER STATES. ROMETSCH ADDED THAT ITALIAN MISSION PRESENTLY WORKING WITH AGENCY LEGAL STAFF IN DRAFTING THIS UNDERTAKING, BUT THAT MATTER WAS BEING CLOSELY HELD AND HAD NOT BEEN DISCUSSED WITH OTHER EURATOM MEMBERS.

2. ROMETSCH AGAIN EXPLAINED PROBLEM POSED FOR AGENCY AS RESULT USSR OFFICIALLY INFORMING HIM OF SOVIET SHIPMENT I.E., MATERIAL EXPORTED BY USSR TO FRG WOULD NOT BE SUBJECT TO PROPER (IAEA) SAFEGUARDS, EVEN THOUGH EURATOM SAFEGUARDS WOULD AUTOMATICALLY APPLY. HE STRESSED DAMAGE THAT WOULD BE CAUSED TO REPUTATION OF AGENCY AND OF NPT ITSELF IF SITUATION WERE TO RECEIVE ANY PUBLICITY. HE ADMITTED THAT PROPOSED SOLUTION WAS FAR FROM PERFECT, BUT FOR HIM IT HAD OBVIOUS ADVANTAGE OF APPEARING TO BE QUICKEST WAY OF PUTTING IAEA SAFEGUARDS INTO FORCE IN THE FRG, WITHOUT WAITING FOR UNCERTAIN ITALIAN NPT RATIFICATION TIMETABLE. ROMETSCH ALSO PAINFULLY AWARE, AS A PRACTICAL MATTER, THAT AGENCY IS NOT STAFFED, AND THE NECESSARY DETAILED AGREEMENTS WITH EURATOM ARE NOT COMPLETED, TO ENABLE AGENCY TO FULLY IMPLEMENT IAEA-EURATOM SAFEGUARDS AGREEMENT BY BEGINNING 1975. HE IS PREPARED, HOWEVER, TO DO EVERYTHING POSSIBLE TO TRY TO GET READY IN TIME.

3. I EXPRESSED INTEREST IN ROMETSCH'S PROPOSAL AS A FALL-BACK POSITION, IF ITALIAN NPT RATIFICATION APPEARED IMPOSSIBLE TO SECURE IN A REASONABLE PERIOD OF TIME, AND SAID I WOULD SEEK WASHINGTON'S VIEWS. POINTED OUT PROPOSAL CONTAINED SOME SERIOUS DRAWBACKS, HOWEVER, WHICH WE HAD BROUGHT UP WHEN SIMILAR PROPOSALS MADE IN THE PAST. WHILE THE ROMETSCH SUGGESTION WOULD PROTECT THE INTEGRITY OF THE NPT SAFEGUARDS SYSTEM IN THIS PARTICULAR INSTANCE, IT WOULD BE DAMAGING TO THE CAUSE OF WIDESPREAD ADHERENCE TO THE NPT ITSELF. PROPOSED SOLUTION WOULD NOT ONLY TAKE HEAT OFF ITALY TO RATIFY NPT FOR THE INDEFINITE FUTURE; IT COULD WELL BE USED BY OTHER NON-PARTIES--NOTABLY JAPAN-- AS EXCUSE FOR FURTHER DELAY IN ADHERING TO TREATY. CONFIDENTIAL

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THERE WERE ALSO SERIOUS DOUBTS WHETHER EITHER COMMUNITY OR ALL OTHER EC MEMBER STATES WOULD GO ALONG, AND WHETHER IAEA-EURATOM SAFEGUARDS AGREEMENT COULD BE BROUGHT INTO FORCE, IN ABSENCE ITALIAN RATIFICATION, WITHOUT BOARD OF GOVERNORS REVIEW. ROMETSCH THOUGHT THESE WERE NOT INSOLVABLE PROBLEMS, BUT ADMITTED THAT THEY WERE UNANSWERED.

4. I ALSO SUGGESTED THAT, IF SOLUTION PROPOSED BY AGENCY HAD TO BE SERIOUSLY CONSIDERED BECAUSE OF ITALIAN INABILITY (FOR VAILD REASONS) TO SECURE EARLY NPT RATIFICATION, IT SHOULD BE CLEARLY LABELLED AS AN INTERIM ARRANGEMENT. PRINCIPAL SUPPLIERS OF ENRICHED MATERIAL TO ITALY MIGHT INDICATE THAT THEIR ACCEPTANCE OF THE INTERIM ARRANGEMENT WOULD NOT BE OPEN-ENDED, INSISTING AT SAME TIME THAT ITALIANS PLACE TREATY BEFORE PARLIAMENT FOR APPROVAL IN AN AGREED AND LIMITED TIME FRAME. OTHER EURATOM STATES MIGHT ALSO SUPPORT THIS APPROACH. SOVIETS TOOK NOTE OF SUGGESTION, BUT MADE NO COMMENT.

5. I POINTED OUT SEVERAL TIMES THAT A KEY QUESTION WAS THAT OF TIMING, I.E., HOW SOON GERMANS REQUIRED THE MATERIAL FOR FULL FABRICATION. MATERIAL SITTING IN FRG IN STORAGE FOR EXTENDED PERIOD COULD, WITH GERMAN CONSENT, BE RATHER EASILY SAFEGUARDED IN AN AD HOC ARRANGEMENT. IF THIS COULD BE DONE, INTERVENING TIME WOULD BE BEST SPENT IN CONTINUING PRESSURE ON ROME BY SUPPLIERS AND BY MOST INTERESTED STATES--NOTABLY FRG--TO RATIFY NPT. INDEED, THIS WOULD REPRESENT A NEW ELEMENT OF PRESSURE ON ITALIANS, WHO ALSO HAVE A CONTRACT FOR SOVIET ENRICHMENT SERVICES. I NOTED THAT WASHINGTON WOULD WISH TO KNOW HOW URGENTLY PROPOSED ARRANGEMENT WAS NEEDED. (I ALSO NOTED

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ACTION OES-02

INFO OCT-01 SS-14 ISO-00 PM-03 INR-05 NSC-05 NSCE-00 L-01

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P 301518Z OCT 74

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 5213

INFO AMEMBASSY ROME PRIORITY

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AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 2 OF 2 IAEA VIENNA 9203

LIMDIS

POSSIBLE INTERIM SOLUTION WOULD BE FOR SOVIETS TO SEND LETTER TO DG ALONG LINES US LETTER, ADOPTING "RULE OF REASON" AS ITS BASIS FOR SHIPMENTS TO EURATOM COUNTRIES, BUT GOT NOWHERE ON THAT PLY.) ROMETSCH COULD PROVIDE NO CLEAR ANSWER TO TIMING QUESTION, BUT INDICATED MATTER WAS URGENT AND DID NOT PERMIT LONG WAIT. SOVS MADE NO RESPONSE AT ALL, AND IGNORED MY REQUEST THAT MOSCOW BE QUERIED. (COMMENT: ROMETSCH LATER PRIVATELY ASSURED ME THAT SOME MATERIAL HAD INDEED ALREADY BEEN DELIVERED, BUT HIS PAPER PRESERVED THE FICTION THAT DELIVERY WAS IN THE IMMEDIATE FUTURE.)

6. FURTHER ON TIMING QUESTION, WE HAVE HEARD FROM ANOTHER SOURCE THAT FRG DOES NOT INTEND TO FABRICATE THE SOVIET ENRICHED MATERIAL UNTIL MAY 1975. IF TRUE, AND WE ARE UNABLE TO VERIFY THE DATE WITHOUT SHOWING OUR HAND, WE MAY HAVE TIME TO WORK OUT AN AD HOC INTERIM SAFEGUARDS ARRANGEMENT, ASSUMING THAT A PERMANENT SOLUTION IS FOUND BY NEXT SPRING.

7. ANTIASOV EXPRESSED SIMILAR CONCERN FOR EFFECT OF PRO-CONFIDENTIAL

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POSED ARRANGEMENT ON BROADER NPT ADHERENCE AND STATED SEVERAL TIMES THAT FRG SHOULD NOT BE SINGLED OUT AMONG OTHER EC STATES FOR FIRST APPLICATION OF IAEA SAFEGUARDS ON AN AD HOC BASIS, PARTICULARLY IN VIEW OF ITS STRONG SUPPORT OF NPT AND ITS EFFORTS TO PERSUADE ITALY TO RATIFY. ANTIASOV'S SUGGESTION THAT ITALY BE ISOLATED FROM OTHER EURATOM STATES WHO HAVE RATIFIED OR SHORTLY WILL RATIFY NPT WAS REJECTED BY ROMETSCH AS NOT LEGALLY POSSIBLE WITHIN EC AND EURATOM TREATY FRAMEWORK.

8. BOTH SIDES AGREED SEEK REACTIONS OF WASHINGTON AND MOSCOW. ROMETSCH WILL REFRAIN FROM CONTACTING FRG PENDING RECEIPT THESE REACTIONS.

9. COMMENT: AS DG EKLUND POINTED OUT LATER TO ME, THE SOVIETS HAVE MESSED THINGS UP PRETTY THOROUGHLY IN THIS INSTANCE. ROMETSCH (WHOSE READINGS ON SOV STATE COMMITTEE INTERNAL MATTERS ARE USUALLY GOOD) TOLD ME PRIVATELY THAT HE UNDERSTOOD THE COMMERCIALY-ORIENTED SIDE OF THE STATE COMMITTEE HAD GONE AHEAD WITH THE FRG SHIPMENT WITHOUT EVEN CONSULTING THE GROUP CONCERNED WITH IAEA SAFEGUARDS AND NPT QUESTIONS. THE RESULTING EMBARRASSMENT HAS PRODUCED SOME HEATED INTERNAL DISAGREEMENT, AND A SCRAMBLE TO COVER UP.

10. THE COVER-UP MECHANISM IS BECOMING CLEAR. THE SOVIETS ARE SAYING, IF THE AMERICANS CAN SHIP NUCLEAR MATERIALS TO EURATOM STATES WITHOUT REQUIRING THE APPLICATION OF IAEA SAFEGUARDS REQUIRED BY THE NPT, SO CAN WE. THEY WILL HIDE BEHIND OUR SKIRTS UNTIL ANOTHER SOLUTION IS FOUND. THEY WILL NOT PUBLICLY ADMIT THAT THEY WILL ACCEPT EURATOM SAFEGUARDS, BUT THEY WILL TACITLY DO SO, AND THE FRG WILL GET A WRY SATISFACTION OUT OF THEIR DILEMMA.

11. THE AGGRIEVED PARTY IS THE IAEA (AND INSPECTOR GENERAL ROMETSCH) WHICH IS REQUIRED TO ADMINISTER AGENCY SAFEGUARDS ON THE ROUTINELY-REPORTED SOVIET SHIPMENT TO GERMANY, BUT WHICH HAS NO LEGAL AUTHORITY TO DO SO. THIS IS WHY ROMETSCH IS ENDORSING A SOLUTION WHICH HE HAS NEVER LIKED, AND WHICH HE REALIZES IS BADLY FLAWED. CONFIDENTIAL

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IN OUR VIEW, THE US CAN BEST PROTECT HIM, AND THE INTEGRITY OF THE IAEA AS THE HONEST ADMINISTRATOR OF INTERNATIONAL SAFEGUARDS UNDER THE NPT, BY DOING EVERYTHING WITHIN OUR POWER TO SECURE ITALIAN NPT RATIFICATION AS SOON AS POSSIBLE. FAILING THIS, WE MUST CONSIDER HIS FALL-BACK PROPOSAL SERIOUSLY, BAD AS IT IS.

12. WE HAVE, UNTIL NOW, PROTECTED (ALBEIT FEEBLY) OUR OWN POSITION AS A SUPPLIER STATE PARTY TO THE NPT BY PUBLICLY REITERATING THE "RULE OF REASON" AS IT RELATES TO SUPPLY TO EURATOM COUNTRIES. THE SOVIETS USED TO PERIODICALLY CASTIGATE US FOR THIS DEVIATION FROM THE TERMS OF THE NPT. NOW THEY APPEAR TO BE CRAWLING IN BED WITH US, TO PROTECT THEMSELVES. ROMETSCH IS RIGHT IN EXPRESSING HIS CONCERNS FOR THE FUTURE OF THE NPT IF THE SITUATION IS NOT QUICKLY RECTIFIED. PORTER

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